

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

**Judy G. Graves
System ID No. 0238611**

Enforcement Case No. 07-5507

Respondent

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Issued and entered
on March 4, 2008
Frances K. Wallace
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

It is alleged that the following statements are true and correct:

1. At all pertinent times, Judy G. Graves ("Respondent") was an insurance producer authorized to transact the business of insurance in this state.
2. As a licensed insurance producer, Respondent knew or had reason to that Section 1239(1) of the Michigan Insurance Code, ("Code") allows the Commissioner to place on probation, suspend, or revoke an insurance producer's license or levy a civil fine under Section 1244 for using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.
3. As a licensed insurance producer, Respondent further knew or had reason to that Section 1239(1) of the Code allows the Commissioner to place on probation, suspend, or revoke an insurance producer's license or levy a civil fine under Section 1244 for forging another's name to an application for insurance.
4. As a licensed insurance producer, Respondent further knew or had reason to that Section 2018 of the Code provides that an unfair method of competition and an unfair or deceptive act or practice in the business of insurance include making false or fraudulent statements or representations on or relative to an application for an insurance policy for

the purpose of obtaining a fee, commission, money, or other benefit from an insurer, agent, broker, or individual.

5. The Office of Financial and Insurance Services, ("OFIS") received a complaint and documentation from AFLAC. AFLAC alleged that the Respondent forged another person's name and used a fake Social Security number when submitting insurance applications.
6. As shown below, the Respondent has violated Section 1239(1) and 2018 of the Code and is subject to licensing sanctions and/or a civil fine under Section 150 and 1244 of the Code.

COUNT I

7. On or about June 27, 2005, the Respondent completed and submitted an AFLAC Life Assurance application for [REDACTED]. The beneficiary on this policy is [REDACTED] of the Respondent.
8. On or about August 1, 2005, the Respondent completed and submitted an AFLAC New Business Transmittal form. The transmittal form lists [REDACTED] as an employee under Hardtime Enterprises' policy. [REDACTED] states she is not and never has been employed by Hardtime Enterprises.
9. On or about June 27, 2005, Respondent completed and submitted to AFLAC the following applications and transmittal forms for [REDACTED]:
 - Hospital Indemnity Insurance
 - Specified Health Event Insurance Policy
 - Hospital Confinement Sickness Indemnity Limited Benefit Insurance
 - Cancer Indemnity
 - Accident Insurance
 - Short-Term Disability Insurance.
10. On or about August 1, 2005, the Respondent completed an AFLAC New Business Transmittal form. The transmittal form lists the employer as Hardtime Enterprises. [REDACTED] states she is not and never has been employed by Hardtime Enterprises.
11. [REDACTED] stated she did not authorize these applications. Further, the Social Security number used on the applications is not [REDACTED].
12. On or about June 30, 2006, [REDACTED] sent a notarized letter to AFLAC asking them to stop contacting her or her family.

13. On July 18, 2006, during a taped interview with AFLAC, [REDACTED] admitted that she was coerced by the Respondent and her sister [REDACTED] to sign the June 30, 2006 letter. Respondent purportedly wrote the letter and she had [REDACTED] re-write it in her own handwriting and sign it. [REDACTED] denied she gave the Respondent authority to complete and/or submit the applications for her.
14. The Respondent made false representations on several applications for [REDACTED] for the purpose of obtaining a fee. Her conduct violates Section 2018 of the Code. The Respondent forged [REDACTED] signature on the applications and used fraudulent, coercive, or dishonest practices and demonstrated incompetence, untrustworthiness, and financial irresponsibility in the conduct of business in violation of Section 1239 (h) and (j) of the Code.

COUNT II

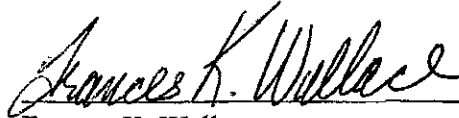
15. On or about August 30, 2005, the Respondent completed an AFLAC New Business Transmittal form and an application for Accident Insurance with disability riders for [REDACTED]. The Respondent indicates on the application that [REDACTED] was an employee of Hardtime Enterprises and his job duties are Sales and Repair. [REDACTED] is not and never has been an employee of Hardtime Enterprises.
16. On August 25, 2006, [REDACTED] states in a taped interview with AFLAC that the Respondent requested that he submit his monthly premiums payable to her and mail them to her home address. [REDACTED] forwarded three (3) checks to Respondent. Respondent led [REDACTED] to believe he had to pay her for six (6) months before AFLAC would begin to bill him.
17. [REDACTED] called AFLAC after the 6 month period when he did not receive anything from them. AFLAC told him his payroll deduction had stopped and they needed a payment from him. He called the Respondent and Respondent told [REDACTED] to disregard AFLAC's request for payment and continue to send her the payments.
18. The Respondent made false representations on an application for [REDACTED] for the purpose of obtaining a fee. Her conduct violates Section 2018 of the Code. Further, The Respondent used fraudulent, coercive, or dishonest practices and demonstrated incompetence, untrustworthiness, and financial irresponsibility in the conduct of business in violation of Section 1239 (h) of the Code.

B. ORDER

Based on the findings of fact and conclusions of law above and Respondents' stipulation, it is **ORDERED** that:

1. Respondent shall immediately cease and desist from operating in such a manner as to violate the Michigan Insurance Code.

2. Respondent's insurance producer license is **REVOKED**.



Frances K. Wallace
Chief Deputy Commissioner

Dated: 3/14/08